



Jerry E. Abramson
Mayor

26 Member
Metro Council

The Office of Internal
Audit provides independent,
objective assurance and
consulting services
that adds value to and
improves Louisville
Metro Government.



Office of Internal Audit

2005 Annual Report of Activities

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January 2006



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JERRY E. ABRAMSON
MAYOR

KEVIN J. KRAMER
PRESIDENT, METRO COUNCIL

LOUISVILLE, KENTUCKY
OFFICE OF INTERNAL AUDIT

MICHAEL S. NORMAN, CIA
CHIEF AUDIT EXECUTIVE

Transmittal Letter

January 26, 2006

The Honorable Jerry E. Abramson
Mayor of Louisville Metro
Louisville Metro Hall

Subject: 2005 Annual Report of Activities

Dear Mayor Abramson,

Enclosed is the 2005 Annual Report of Activities for the Office of Internal Audit. This summarizes the services provided during calendar year 2005. The Office of Internal Audit's Charter requires the presentation of this report within 30 days of the calendar year-end.

We have made tremendous progress in the past year. We have continued our efforts to assist in building a government that is responsive and accountable to its citizens. Some of the highlights from this past year include:

- Productivity increases as a result of staff recruitment and training efforts. With Metro's new classification system in place, our recruitment efforts have been more successful. We are also using resources to obtain outside assistance in training staff. This decreases their learning curve, and allows senior staff more time to concentrate on audit projects.
- We provided more consulting activities. These value-added services are beneficial to our clients, especially as they develop new processes and procedures, or rethink current practices.
- Our risk-based audit approach allows us to focus audit resources on critical activities and areas. This includes enterprise-wide activities and processes that impact several Departments. The risk-based approach supports the philosophy of adding value and getting more "bang for the buck".

- The use of an information technology consultant has been beneficial. An IT risk assessment was prepared to help focus the IT audit resources on the critical areas.
- We have continued developing partnerships and cooperative relationships with our clients. This includes our thought leadership efforts in the areas of risk management, governance, and fraud prevention.

The listing of activities is sorted by Department, and then by the particular area / focus. Not all of the activities are complete, and some are pending action by others. The type of core service provided is noted. A brief definition of these core services is as follows:

- **Assurance** - Reviewing operations, policies, and procedures to ensure that the appropriate control structure is in place and that business risks are considered.
- **Consulting** - Providing services to help address specific issues and concerns, which may not necessarily be high-risk, but do add significant value to clients.
- **IT Audit** - Ensuring that electronic information is processed as intended, data integrity is maintained, and the control structure is assessed.
- **Integrity** - Investigating allegations regarding employee misconduct and / or non-violent criminal acts involving Metro government resources.

I have also included a breakdown of resource allocation by Cabinet. This is presented in the appendix.

I look forward to continuing providing services that help ensure a responsive, accountable government. If you have any questions, or would like to discuss this report in more detail, please let me know.

Respectfully submitted,



Michael S. Norman, CIA
Chief Audit Executive

cc: Louisville Metro Council
Deputy Mayors
Cabinet Secretaries

Annual Report of Activities

Calendar Year 2005

Agency / Area	Status	Issues	Core Service
Air Pollution Control			
Revenue Management	Complete	Computer systems vary in age, functionality and technical support; No functional policies and procedures documented; Discretion used to assess penalty fees; Some deposits untimely.	Assurance
Standard Operating Procedures	Complete	Discussed the preparation of documented standard operating procedures as recommended in Revenue Management audit.	Consulting
Animal Services			
Donations	Complete	Discussed donation procedures, including reporting requirements, for goods received. Also discussed process to investigate feasibility of 501(c) designation.	Consulting
Belle of Louisville			
Cash Handling Procedures	Complete	Provided information / guidelines on proper cash handling procedures for operations. This included ticket sales, concessions, bar and souvenirs.	Consulting
Hornblower Lawsuit	Ongoing	Provided information and documentation to County Attorney for lawsuit involving former operator.	Consulting

Agency / Area	Status	Issues	Core Service
Board of Elections			
Election Worker Payments	Complete	Metro Finance uses an automated method to process payments through LeAP and only verifies control totals. The Board of Elections is responsible for verifying the accuracy and appropriateness of individual payments, along with the retention of any supporting documentation.	Assurance
Cabinet for Health and Family Services			
Youth, Health, Education and Crime Initiative Grants	Complete	Consulted regarding administration and monitoring of the grants being appropriated by the Metro Council. These were not part of the External Agency Funding process.	Consulting
Community Action Partnership			
Business Administration	Complete	Inefficient payroll process because of grant funding requirements; Timeliness of grant reporting; Formal reconciliations not documented; Lack of internal policies and procedures manual.	Assurance
Grants Management	Complete	Consulted regarding reporting of CSBG grant activity. This included timely reporting considering the report due date versus Louisville Metro monthly closing schedules and Metro Finance Grants division review.	Consulting
Senior Corps Grants	Ongoing	Received notification from Corporation for National and Community Service Office of Inspector General of program audit.	Consulting

Agency / Area	Status	Issues	Core Service
Corrections			
Inmate Account - PNC (Direct Debits)	Pending		Integrity
Property Room	Complete	After preliminary evaluation and risk assessment, it was determined that the area did not need formal internal audit review.	Assurance
Revenue - Inmate Account	Complete	Outdated policies and procedures; Segregation of duties; Monitoring and reconciliation; Transfer and handling of funds, including deposit delays, with Community Corrections Center activity; Computer system doesn't reflect actual collections of booking fees.	Assurance
Revenue - State Jail Indigent, State DUI Fees	Ongoing	Could not identify basis for sources of revenue, no assurance that amount collected is accurate. Finance and Budget is responsible for this activity, not Corrections, and plans to review as part of FY 2007 budget process.	Consulting
County Attorney			
Boards and Commissions	Complete	Provided listing of Metro Boards and Commissions to County Attorney. Goal is to have County Attorney maintain pertinent documentation (e.g., Articles of Incorporation, By-Laws) for these entities so that there is one central location.	Consulting

Agency / Area	Status	Issues	Core Service
Emergency Management Agency			
FEMA Reimbursement - Katrina Documentation	Ongoing	Consulted regarding documentation requirements for Katrina reimbursements. Risk because EMA has been designated as depository of all documentation even though several Metro departments were involved.	Consulting
Emergency Medical Services			
Billing and Collection Services	Complete	Reviewed draft RFP for outsourcing of billing and collection services.	Consulting
Billing Services Contract	Complete	Use of contract suppliers not coordinated during transition to Metro EMS from Jefferson County and Louisville Fire entities; Concerns were noted regarding potential failure to use services authorized by contract with another provider and duplicate payments; Does not appear to be fraudulent activity; IA consulted with command staff and recommended improvements for processing and monitoring to improve compliance concerns.	Integrity
CPR Training Center and Kentucky Board of EMS Grant	Complete	Non-Profit entity (Friends of EMS) managed by Metro employees is not administered as intended; Board is inactive and there is not proper oversight; CPR Training Center administration could be improved; Monitoring is weak and duties are not appropriately segregated; Ky Board of EMS Grant administration activity reports were not available and a balance of funds remained unexpended after the allowable grant period; Revenue receipts were not properly deposited.	Assurance
Employee Payroll Issues	Complete	Employee not paid for 2 periods, paid incorrectly for 2 other periods (was on injury leave). Researched past activity, contacted HR, corrections to pay were made / paid September 30, 2005.	Consulting
Payroll Activity	Complete	No policies and procedures; Segregation of duties; No monitoring and reconciliation; Lack of support documentation.	Assurance

Agency / Area	Status	Issues	Core Service
Emergency Medical Services			
Procurement / Payroll Processing	Complete	Discussed processing of payroll / purchases during interim period of transfer of former Fire EMS to Metro EMS to ensure controls / accountability were addressed. Memorandum of Understanding (MOA) was prepared between Louisville Fire and Metro EMS, along with procedures to process activity.	Consulting
Enterprise			
Audit Follow-up (Jan 2003 - June 2005)	Ongoing	Follow-up of audit issues, involving 22 projects at 15 Departments.	Assurance
Counterfeit Money	Ongoing	Coordinated training for Metro Departments to help in identification of counterfeit bills, and what to do if it occurs. Metro Human Resources has scheduled training course for Spring 2006.	Consulting
Donations	Ongoing		Assurance
Employee Hotline (Ethics, Fraud and Abuse)	Complete	Investigated feasibility of implementing an employee hotline. This is fraud best practice, and is a requirement of Sarbanes-Oxley. Due to issues regarding potential abuse of this reporting system, especially in regards to open records laws, this was not pursued.	Integrity
Energy Use Partnership	Complete	Attended Energy Use Partnership (EUP) meetings and discussed software that could be used during the compilation of energy use / accounts for analytical purposes. The EUP is a partnership comprised of Louisville Metro, Jefferson County Public Schools and U of L representatives.	Consulting
FEMA Assistance	Ongoing	Consulted regarding accounting for any Federal funds received in relation to Hurricane Katrina relief efforts; Involved Finance and the Emergency Management Agency.	Consulting

Agency / Area	Status	Issues	Core Service
Enterprise			
Fiscal Agent Agreements	Ongoing	As result of Board of Elections review, issues were identified with "outside" entities (e.g., County Attorney, Waterfront Development Corporation). A workgroup was formed to address these issues and develop a fiscal agent agreement. The agreement will outline responsibilities and authorities for the "outside" agencies.	Consulting
Fraud Awareness and Identity Theft Training	Ongoing	Provided training to approximately 20 Metro employees as part of Metro Training University; Total of 2 classes taught.	Consulting
Fraud Awareness Training Product	Complete	Reviewed web based fraud awareness training product. Purpose was to determine feasibility of using for Metro employees. Product did not appear beneficial at this time. Web issues along with content shortcomings were key weaknesses.	Integrity
General Fund Revenue	Ongoing	Inadequate accountability, monitoring and oversight of financial system activity (Department 34). Identified weaknesses and consulted with Metro Finance regarding the best practices for the management of this financial activity.	Consulting
HIPAA Security Assessment	Complete	Provided information regarding current Metro environment; Opinion regarding risk factors and possible remediation plan to close gap between regulation requirements.	Consulting
Information Technology Risk Assessment	Complete	Analysis of information technology risks for Louisville Metro systems (directly supported by Metro Technology); Preparation of risk assessment with most critical risks prioritized for use in audit planning.	Information Technology
Intern Program	Complete	Discussed feasibility / aspects of intern program that focuses on financial track within Metro Government with Affirmative Action Office. Vision of rotation among Internal Audit, Finance, and Departmental Business Offices. Affirmative Action does not believe that Metro environment would support successful intern program at this time.	Consulting

Agency / Area	Status	Issues	Core Service
Enterprise			
KY Treasurer - Unclaimed Property	Complete	Discussed responsibility / authority for Metro to contact Kentucky Treasurer to recover unclaimed property in Metro's name. Finance will be responsible for those at KY Treasurer; County Attorney will be responsible for those in Courts prior to reaching KY Treasurer.	Consulting
Payroll - Time Clock Project	Ongoing	Participate in time clock meetings (implementation of clocks with interface to PeopleSoft).	Consulting
Payroll Review - 2004	Complete	Reviewed / analyzed overtime pay, highest gross pay, timekeeper review, and floating holiday use. Floating holiday use exceeded annual balance in some cases; Timekeeper standard pay / hours exceeded annual rates. Consulted with Metro Payroll to address these situations.	Assurance
PeopleSoft Steering Committee	Ongoing	Participate as ex-officio of Peoplesoft Steering Committee.	Consulting
PeopleSoft Users Group	Ongoing	Participate in biweekly Users Group meetings throughout year.	Consulting
Revenue Safeguards	Complete	Sent Memo to all Metro Directors with key revenue safeguards. Memo was in response to embezzlement case in City of Bowling Green, KY.	Consulting
Utility Expenditures	Complete	Utility administration plan is not documented; Monitoring of utility activity is inadequate; Lack of documented plan for responsibilities, payment processing, monitoring usage and locations; Increased risk of duplicate payments because of lack of coordinated administration.	Assurance
Vending Machine Activity	Complete	Lack of enterprise wide policy has resulted in varied uses of revenue from vending machines, including departmental use for employees; No master list of vending machines in Louisville Metro.	Consulting
Vendor Payment Threshold Compliance	Complete	LeAP does not automatically monitor aggregate payment threshold and \$2,500 threshold is not completely effective; Non-compliance with thresholds; Policies and procedures are incomplete. Workgroup formed to address these issues.	Assurance

Agency / Area	Status	Issues	Core Service
Finance			
Business Office Functions	Complete	Consulted regarding transfer of Business Office responsibilities from Finance to Mayor's Office. This includes Cabinet Secretaries and Strategic Planning. Advised that "automatic approval" of payroll was not sound business practice.	Consulting
Capital Assets Policy	Complete	Reviewed draft of Capital Assets Policy and provided comments. Goal is to help ensure risks are identified and mitigated, and compliance with GASB 42.	Consulting
Cash Management Policy	Complete	Reviewed draft of Cash Management Policy and provided comments. Goal is to help ensure risks are identified and mitigated.	Consulting
Fixed Assets Policy	Complete	Discussed opportunities and alternatives for partnering in reviewing department's compliance with Metro policy.	Consulting
Foundations and Boards	Complete	Helped identify certain Foundation's and Board's relationship with Louisville Metro, and if reporting responsibility exists.	Consulting
Intent to Purchase Services	Complete	Some Intent to Purchase Services (ITPS) suppliers not registered or not in good standing with Metro Revenue Commission; Monitoring is not sufficient; The Metro financial system does not adequately monitor ITPS activity; No functional policies and procedures for Metro Finance's processing of ITPS transactions.	Assurance
Lockboxes	Ongoing	Consulted regarding use of lockboxes for loan processing functions for various Louisville Metro Agencies.	Consulting
Metro Inventory Accounts	Complete	Provided general information as to the nature of inventory accounts (e.g., Electrical Maintenance, Fleet, Parks Central Services, Health Department) and contacts for Finance staff to update account balances on Metro financial system balance sheet.	Consulting
Neighborhood Development Fund Grants Process	Complete	Reviewed proposed changes to Neighborhood Development Fund process and provided comments / recommendations.	Consulting

Agency / Area	Status	Issues	Core Service
Finance			
Payment Transactions (Agency 34)	Complete	Questioned payable transaction from Agency 34 of \$306,500. This was detected in routine review of payment activity. Further explanation / clarification is that the transaction was for advertising in newspaper for sale of delinquent tax bills, and is statutory requirement. Louisville Metro recovers some of this cost. Further investigation revealed a potential of \$98,800 additional revenue that could have been recovered from the sale of tax bills, but was not. This was corrected for calendar year 2005 tax bills.	Consulting
Payroll	Pending	System error resulted in overpayment to 3 employees at SWMS; Finance notified Internal Audit after contacting appropriate authorities and performing review; cursory review of circumstances indicates edit reports may have been effective in detecting these errors if used properly and timely.	Consulting
Petty Cash Policies and Procedures	Complete	Reviewed proposed changes to Metro's petty cash policies and procedures, and offered comments / suggestions.	Consulting
Self Insured Health Insurance Fund	Complete	Discussed options for accounting treatment of Metro's self insured health insurance activity. GASB requires recognition, State APA wants it as part of General Fund or Internal Service Fund.	Consulting

Agency / Area	Status	Issues	Core Service
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Fire

CPR Center Deposits	Complete	Department requested assistance addressing missing revenue deposits of \$6,707 with Metro Treasury. IA could not determine status based on available information. Fire rebilled \$5,735 of unaccounted for funds and received \$4,658.	Integrity
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General Services Administration - Facilities Management

Louisville Gardens	Complete	Provided information to Finance - General Accounting regarding KY sales tax responsibility and prior issues. Also discussed relationship between operating board and Louisville Metro Government.	Consulting
Louisville Gardens	Complete	No operating mission for facility; Monitoring is not sufficient; Segregation of duties; Financial Management is inefficient and ineffective; Lack of functional policies and procedures.	Assurance

General Services Administration - Fleet

Service Agreements	Complete	Consulted regarding details and requirements for agreement with City of West Buechel to provide services for their fleet. No issues identified, advised to consult with Risk Management to ensure exposure liability is sufficiently mitigated.	Consulting
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Agency / Area	Status	Issues	Core Service
General Services Administration - Purchasing			
Bid Evaluation Process	Complete	Consulted regarding need to assist Metro Departments in evaluating bids on criteria other than price. Focus on consistency and understanding of criteria as well as avoidance of perceived conflicts of interest. Purchasing will offer to attend bid evaluations for those Departments needing assistance.	Consulting
Procurement of Vehicle	Complete	Consulted regarding procurement authority of Waterfront Development Corporation for vehicles. Status will be impacted by fiscal agent agreement completion. Interim solution was procurement using State contract.	Consulting

Health Department

Billing and Collection Division (Follow-up)	Complete	External issues, which are not necessarily within control of Health Department, include State computer system (PSRS) and payor reimbursement methods. Internal issues include data entry process, financial activity processing, billing process, and quality assurance.	Assurance
Employee Misconduct-Immunization Team	Complete	Followed up to ensure restitution ordered in February 2004 received. Full restitution of \$560 received June 2005.	Integrity
Lead Grant	Ongoing	Upon conviction, US Attorney suggested obtaining Abstract of Judgment on assets. County Attorney requested to review feasibility of this action.	Integrity
Lead Grant	Ongoing	Receive court-ordered restitution and process for payment to Centers for Disease Control (grantor). For 2005, approximately \$1,850 was received, leaving balance of \$27,308.	Integrity

Agency / Area	Status	Issues	Core Service
Housing			
Conflict of Interest	Complete	Consulted regarding conflict of interest in emergency assistance program.	Consulting
Conflict of Interest	Complete	Consulted regarding potential conflict of interest with secondary employment of some Housing employees.	Consulting
Conflict of Interest	Complete	Provided contact information regarding Metro employee desire to purchase Landbank / surplus property, including Ethics Commission, and conflict of interest policies.	Consulting
Ramp Program	Pending		Integrity
Rent Assistance Program	Complete	It appears employee did not perform assigned duties, but fraudulent intent not a factor. Payments to landlord of approximately \$2,500 need to be recovered since participant also paid rent at the same time.	Integrity
Human Resources			
Bid Evaluation Criteria	Complete	Consulted regarding bid evaluation criteria for OSHA contract. Focus was criteria other than low price.	Consulting
Bid Response	Complete	Consulted regarding vendor response to RFP in which indicated use of Health Department Lab for anthrax testing. Issue was whether Louisville Metro would be charged for Health Department Lab services. Advised to contact Lab directly to determine types / uses of funding.	Consulting
FLSA State and Local Government Employees	Complete	Discussed applicability of 29CFR553 as it pertains to compensatory time earned / paid to Metro employees. Appears Metro is in compliance with requirements.	Consulting
Health Insurance Administration	Ongoing		Assurance

Agency / Area	Status	Issues	Core Service
Human Resources			
Recruitment	Complete	Consulted regarding verification of available funds for requisitioned positions. Agreed that at beginning and at end (prior to hiring) is sufficient verification. Concern that Peoplesoft system does not reflect actual budget for positions, so value of verification is questionable.	Consulting
Supervisor Enhancement and Development	Ongoing	Present overview of office for Supervisor Enhancement and Development (SEAD) course; Approximately 20 managers attend each session, approximately 2 sessions each month.	Consulting
Human Services			
Bond Payment Documentation	Complete	Assisted in locating bond documentation for payment to Jefferson County Public Schools (JCPS). This is for Cane Run Neighborhood Place. Neither DHS or Metro Finance could locate the bond documentation. Able to locate signed copy of documentation from JCPS.	Consulting
Check Cashing Service at Dosker Manor	Complete	Reviewed process for check cashing performed by subcontractor. Identified opportunities in program evaluation, physical security, and contract administration.	Consulting
Donations	Ongoing		Assurance
Grants Documentation	Complete	Consulted regarding documentation for payments to grantees. DHS agreed to have the Office of Youth Development use the same form as DHS.	Consulting

Agency / Area	Status	Issues	Core Service
Inspections, Permits and Licenses			
Acceptance of Gifts	Complete	Discussed guidelines / procedures for acceptance of holiday gifts, including compliance with Louisville Metro personnel policy. Stressed importance of avoiding perception of influence, as well as actual influence.	Consulting
Revenue Administration	Ongoing		Assurance
Kentuckiana Works			
Career Resources Inc. Cost Allocation	Complete	Assessed cost allocation of Career Resources Inc. for grant expenditures. Appears allocations adhere to contract. Program income reporting and detailed allocation methodology for contract should be clarified; Some general fiscal improvements.	Assurance
Library			
Complaint re: Employee Time Theft	Complete	Consulted regarding best course of action regarding anonymous complaints of employee not being at work site during working hours.	Integrity
Counterfeit Money	Complete	Bank notified Finance that counterfeit \$100 was included in Library deposit. Further investigation determined that it was a Library employee that had presented \$100 for change. Coordinated with Public Integrity Unit and Secret Service (via detail from LMPD) for referral for investigation. LMPD investigation determined that employee was not involved.	Integrity

Agency / Area	Status	Issues	Core Service
Library			
Document Retention	Complete	Provided guidance for retention of documents (cash register tapes) for audit purposes and referred department to Archives to determine applicable retention requirements.	Consulting
Mayor's Office			
Earned Income Credit analysis	Complete	Provided information regarding potential Earned Income Tax Credit employees (based on 2004 gross).	Consulting
Fiscal Administration Guidance	Complete	Provided fiscal administration guide of best practices to new Business Manager.	Consulting
Metro Council			
10th Street Cardinals Grant	Ongoing	Monitor court-ordered restitution payments to ensure properly received. For 2005, approximately \$3,113 was received, leaving balance of \$1,366.	Integrity
Cellular Telephones	Complete	Provided information regarding feasibility of paying allowance to cellular telephone users instead of providing Metro owned phones and service.	Consulting
Conflict of Interest	Complete	Consulted regarding elected council person's desire to form foundation to raise funds for non-profit group. Advised that requires Ethics Commission review, but should at least disclose relationship if official Metro action (e.g., grant) is made for the organization.	Consulting
Council Operating Center	Complete	Consulted regarding appropriateness of use of public funds for proposed activity, as well as use of operating center or neighborhood development fund. Total of 19 different situations addressed throughout the year.	Consulting

Agency / Area	Status	Issues	Core Service
Metro Council			
Donations	Complete	Consulted regarding Council seeking donations and tax deductibility of donations. Provided Metro donation policy along with recommendation that donors should seek advice from their tax advisors, Metro should not give it.	Consulting
Donations	Complete	Provided information regarding possible donation scenarios and applicable Metro policy requirements.	Consulting
Donations	Complete	Consulted regarding procedures / issues for Chamber renovations, including solicitation of donations.	Consulting
Neighborhood Development Fund Grants Process	Ongoing	Consulted regarding proposed changes to Neighborhood Development Fund process.	Consulting
Signature Stamps	Complete	Consulted regarding use of signature stamp for approval of invoices. Recommended against allowing this practice as it is high risk and weakens accountability.	Consulting
Use of Chambers	Complete	Discussed Metro policies regarding non-Metro organizations using Council Chambers for meeting. While unaware of policy forbidding it, not aware of any past practice doing so. Precedent of allowing it could lead to many more requests for meeting space. Advised contacting Facilities Management for policy, and including in future Metro Council policies.	Consulting
Metro Development Authority			
Green Team - Vending Machine Inventory	Complete	Provided vending machine inventory list for Green Team use.	Consulting

Agency / Area	Status	Issues	Core Service
Metro Development Authority			
METCO Loan Processing	Ongoing	Consulted regarding desire to transfer loan processing functions to MDA from Finance, as well as need for new loan software. As result, lockbox processing service was discussed. Implementation of new software and lockbox processing should occur in FY 2006.	Consulting
Payroll Time Sheets	Complete	Provided individual time sheet and guidance regarding the format of time reports. Metro Human Resources is considering possible uniform time reports in format to best present information considering PeopleSoft reporting and processing.	Consulting
Metro Development Center			
Revenue Management	Complete	Consulted regarding the management of revenue receipts collected by multiple departments at the Center. Interim solution worked out, long term dependent upon process flow adopted based on consultant recommendations.	Consulting
Office of Internal Audit			
Functions and Responsibilities	Complete	Provided information regarding Office of Internal Audit function and operations for use in Bowling Green, KY.	Consulting
Functions and Responsibilities	Complete	Discussed Revenue Commission's management letter comment regarding internal audit function, and ability of Office of Internal Audit to provide these services. Provided overview to Revenue Commissioners at January 2005 Meeting.	Consulting

Agency / Area	Status	Issues	Core Service
Office of Internal Audit			
Sister Cities' Intern Program	Complete	Hosted Sister Cities visitor from Jiajing, China for 6 weeks. Focus was operations of local government, and role of internal audit.	Consulting
US Government Accountability Office Domestic Working Group	Complete	Participated in survey conducted by US GAO Domestic Working Group. The focus is access to information issues at all levels of government accountability organizations.	Consulting
Parks			
Cellular Telephones	Complete	Consulted regarding reimbursement for employee personal use of cellular telephones. Recommended contacting LMPD for procedures that allow monitoring without signing of detailed monthly bills.	Consulting
Employee Misconduct-Community Centers	Pending		Integrity
Farnsley-Moreman Revenue	Ongoing		Assurance
Locust Grove	Complete	After preliminary evaluation and risk assessment, it was determined that the area did not need formal internal audit review.	Assurance
Otter Creek Park - Lodge Demolition	Ongoing		Integrity
Planning and Design			
Contract Language	Complete	Consultant requested change in contract language regarding "right to audit". Request was reasonable, and does not impair Metro's rights. Therefore, acceptable to make change.	Consulting

Agency / Area	Status	Issues	Core Service
Police			
COPS Ahead Federal Audit	Complete	Consulted regarding documentation used to respond to Federal Audit. Electronic files of documentation cannot be located. IA did not perform audit, only involved after the Federal audit report was issued, so no workpaper files available.	Consulting
Employee Investigation	Complete	Assisted Public Integrity Unit in attempting to identify / locate suspect alleged to be a Metro employee.	Integrity
Narcotics Disposal	Complete	No issues. Assisted in three disposals during 2005.	Assurance
Property Room	Complete	Consulted regarding status of three cases involved in the 2003 project in which idle, non-evidentiary items were moved from property room vault and deposited with bank.	Consulting
Service Agreements (Suburban Cities)	Complete	Overall standard operating procedures exist but no functional policies and procedures were documented for daily program management; Program costs exceed fees billed; Monitoring of program payroll charges could be improved; Better documentation for the review and monitoring of records managed by the program administrator and business office would improve the management of the program.	Assurance
Weapons Destruction	Complete	No issues. Assisted in two destructions during 2005.	Assurance
Revenue Commission			
RevTech21 (tax computer system)	Ongoing		Information Technology

Agency / Area	Status	Issues	Core Service
Solid Waste Management			
Waste Reduction Center	Ongoing		Assurance
Technology			
Leave Request Documentation	Complete	Consulted regarding use of advance leave request forms and proper retention periods.	Consulting
MIDAS system	Ongoing	Coordinated user meeting to begin process of evaluating adequacy of MIDAS for Louisville Metro needs. Followed up on status of user meeting and informal discussions with users of acceptance / adequacy of system.	Consulting
Youth Center			
Resident Account Bank Reconciliations	Complete	Bank reconciliations appear to have been performed on this account with some exceptions; Appears account at new bank is not thoroughly reconciled.	Consulting
Zoo			
Fiscal Administration	Complete	Payroll concerns (i.e. multiple timesheets, time constraints, etc.); Some invoices not paid timely; Routine concerns with Business Office functions.	Consulting

Appendix

Resource Allocation by Cabinet

The following chart depicts the resource allocation (projects) for the activities listed in this report. This chart is categorized by Louisville Metro Government Cabinet (or Enterprise if applicable to the entire organization). This is included for informational purposes only.

